

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

THOMAS L. WAGNER, JR., CPA
STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

April 4, 2001

Mr. Donald Hinson, President
United Housing Associates, Inc.
1345 Garner Lane
Suite 103-B
Columbia, South Carolina 29210

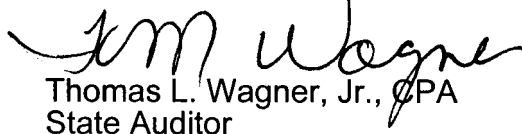
Re: AC# 3-EBN-M8 – Ebenezer Nursing Home

Dear Mr. Hinson:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period July 1, 1998 through December 31, 1998. That report was used to set the rate covering the contract periods beginning July 1, 1998.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate change shown on Exhibit A. You will be notified of repayment terms by that Agency.

If you take exception to this report in any manner, you have the right to appeal in accordance with the Code of Laws of South Carolina, 1976 as amended, Title 44, and Department of Health and Human Services Regulation R.126-150, and you must respond in writing within thirty (30) calendar days of the date of this letter. This written response must address the specific items in the report being appealed, and must be directed to the Appeals and Hearings, Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Any correspondence should include the control number appearing on Exhibit A of this report.


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/sag

cc: Ms. Brenda L. Hyleman
Mr. Jeff Saxon
Mr. Robert M. Kerr
Mr. Park Horton, Chief Financial Officer

**EBENEZER NURSING HOME
ROCK HILL, SOUTH CAROLINA**

**CONTRACT PERIODS
BEGINNING JULY 1, 1998
AC# 3-EBN-M8**

**REPORT ON CONTRACT
FOR
PURCHASE OF NURSING CARE SERVICES
WITH
STATE OF SOUTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

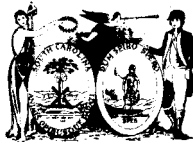
CONTENTS

	<u>EXHIBIT OR SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES		1
COMPUTATION OF RATE CHANGE FOR THE CONTRACT PERIODS BEGINNING JULY 1, 1998	A	3
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD JULY 1, 1998 THROUGH SEPTEMBER 30, 1998	B-1	4
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD OCTOBER 1, 1998 THROUGH NOVEMBER 30, 1998	B-2	5
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD DECEMBER 1, 1998 THROUGH DECEMBER 31, 1998	B-3	6
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIODS JANUARY 1, 1999 THROUGH SEPTEMBER 30, 1999	B-4	7
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD OCTOBER 1, 1999 THROUGH SEPTEMBER 30, 2000	B-5	8
SUMMARY OF COSTS AND TOTAL PATIENT DAYS FOR THE COST REPORT PERIOD ENDED DECEMBER 31, 1998 FOR THE CONTRACT PERIOD JULY 1, 1998 THROUGH SEPTEMBER 30, 1998	C-1	9
SUMMARY OF COSTS AND TOTAL PATIENT DAYS FOR THE COST REPORT PERIOD ENDED DECEMBER 31, 1998 FOR THE CONTRACT PERIODS OCTOBER 1, 1998 THROUGH SEPTEMBER 30, 1999	C-2	11
SUMMARY OF COSTS AND TOTAL PATIENT DAYS FOR THE COST REPORT PERIOD ENDED DECEMBER 31, 1998 FOR THE CONTRACT PERIOD OCTOBER 1, 1999 THROUGH SEPTEMBER 30, 2000	C-3	13
ADJUSTMENT REPORT	1	15
COST OF CAPITAL REIMBURSEMENT ANALYSIS FOR THE CONTRACT PERIOD JULY 1, 1998 THROUGH SEPTEMBER 30, 1998	2-1	21

CONTENTS

	<u>EXHIBIT OR SCHEDULE</u>	<u>PAGE</u>
COST OF CAPITAL REIMBURSEMENT ANALYSIS FOR THE CONTRACT PERIODS OCTOBER 1, 1998 THROUGH SEPTEMBER 30, 1999	2-2	22
COST OF CAPITAL REIMBURSEMENT ANALYSIS FOR THE CONTRACT PERIOD OCTOBER 1, 1999 THROUGH SEPTEMBER 30, 2000	2-3	23

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

THOMAS L. WAGNER, JR., CPA
STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

October 13, 2000

Department of Health and Human Services
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with Ebenezer Nursing Home, for the contract periods beginning July 1, 1998, and for the six month cost report period ended December 31, 1998, as set forth in the accompanying schedules. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

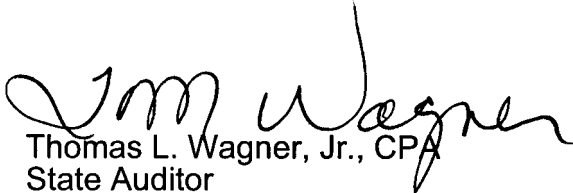
The procedures and the associated findings are as follows:

1. We tested selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by Ebenezer Nursing Home, to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the provider. Our findings as a result of these procedures are presented in the Adjustment Report, Summaries of Costs and Total Patient Days, and Cost of Capital Reimbursement Analyses sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contract between the Department of Health and Human Services and Ebenezer Nursing Home dated as of July 1, 1998 as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computations of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services
State of South Carolina
October 13, 2000

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.



Thomas L. Wagner, Jr., CPA
State Auditor

EBENEZER NURSING HOME
Computation of Rate Change
For the Contract Periods
Beginning July 1, 1998
AC# 3-EBN-M8

	07/01/98 <u>09/30/98</u>	10/01/98 <u>11/30/98</u>	12/01/98 <u>12/31/98</u>	01/01/99 <u>09/30/99</u>	10/01/99 <u>09/30/00</u>
Interim reimbursement rate (1)	\$120.77	\$122.84	\$123.59	\$109.59	\$112.82
Adjusted reimbursement rate	<u>94.69</u>	<u>95.81</u>	<u>96.56</u>	<u>98.42</u>	<u>99.42</u>
Decrease in reimbursement rate	\$ <u>26.08</u>	\$ <u>27.03</u>	\$ <u>27.03</u>	\$ <u>11.17</u>	\$ <u>13.40</u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated December 3, 1999

EBENEZER NURSING HOME
Computation of Adjusted Reimbursement Rate
For the Contract Period July 1, 1998 Through September 30, 1998
AC# 3-EBN-M8

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$46.86	\$65.77	
Dietary		12.58	12.77	
Laundry/Housekeeping/Maint.		<u>7.82</u>	<u>9.11</u>	
Subtotal	<u>\$6.14</u>	67.26	87.65	\$67.26
Administration & Med. Records	<u>\$ -</u>	<u>12.35</u>	<u>10.96</u>	<u>10.96</u>
Subtotal		79.61	<u>\$98.61</u>	78.22
<u>Costs Not Subject to Standards:</u>				
Utilities		2.77		2.77
Special Services		-		-
Medical Supplies & Oxygen		3.14		3.14
Taxes and Insurance		1.32		1.32
Legal Fees		<u>-</u>		<u>-</u>
TOTAL		<u>\$86.84</u>		85.45
Inflation Factor (N/A)				-
Cost of Capital				6.99
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				6.14
Effect of \$1.75 Cap on Cost/Profit Incentives				(4.39)
Minimum Wage Add-on				<u>.50</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$94.69</u>

EBENEZER NURSING HOME

Computation of Adjusted Reimbursement Rate
For the Contract Period October 1, 1998 Through November 30, 1998
AC# 3-EBN-M8

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$46.86	\$ 65.35	
Dietary		12.58	12.60	
Laundry/Housekeeping/Maint.		<u>7.82</u>	<u>9.51</u>	
Subtotal	<u>\$6.12</u>	67.26	87.46	\$67.26
Administration & Med. Records	<u>\$1.12</u>	<u>12.35</u>	<u>13.47</u>	<u>12.35</u>
Subtotal		79.61	<u>\$100.93</u>	79.61
<u>Costs Not Subject to Standards:</u>				
Utilities		2.77		2.77
Special Services		-		-
Medical Supplies & Oxygen		3.14		3.14
Taxes and Insurance		1.32		1.32
Legal Fees		<u>-</u>		<u>-</u>
TOTAL		<u>\$86.84</u>		86.84
Inflation Factor (N/A)				-
Cost of Capital				6.97
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				1.12
Cost Incentive				6.12
Effect of \$1.75 Cap on Cost/Profit Incentives				(5.49)
Minimum Wage Add-on				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$95.81</u>

EBENEZER NURSING HOME

Computation of Adjusted Reimbursement Rate
For the Contract Period December 1, 1998 Through December 31, 1998
AC# 3-EBN-M8

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$46.86	\$ 65.35	
Dietary		12.58	12.60	
Laundry/Housekeeping/Maint.		<u>7.82</u>	<u>9.51</u>	
Subtotal	<u>\$6.12</u>	67.26	87.46	\$67.26
Administration & Med. Records	<u>\$1.12</u>	<u>12.35</u>	<u>13.47</u>	<u>12.35</u>
Subtotal		79.61	<u>\$100.93</u>	79.61
<u>Costs Not Subject to Standards:</u>				
Utilities		2.77		2.77
Special Services		-		-
Medical Supplies & Oxygen		3.14		3.14
Taxes and Insurance		1.32		1.32
Legal Fees		<u>-</u>		<u>-</u>
TOTAL		<u>\$86.84</u>		86.84
Inflation Factor (N/A)				-
Cost of Capital				6.97
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				1.12
Cost Incentive				6.12
Effect of \$1.75 Cap on Cost/Profit Incentives				(5.49)
CNA Add On				.75
Minimum Wage Add-On				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$96.56</u>

EBENEZER NURSING HOME

Computation of Adjusted Reimbursement Rate
For the Contract Periods January 1, 1999 Through September 30, 1999
AC# 3-EBN-M8

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$46.86	\$54.01	
Dietary		12.58	10.41	
Laundry/Housekeeping/Maint.		<u>7.82</u>	<u>7.86</u>	
Subtotal	<u>\$5.02</u>	67.26	72.28	\$67.26
Administration & Med. Records	<u>\$ -</u>	<u>12.35</u>	<u>11.13</u>	<u>11.13</u>
Subtotal		79.61	<u>\$83.41</u>	78.39
<u>Costs Not Subject to Standards:</u>				
Utilities		2.77		2.77
Special Services		-		-
Medical Supplies & Oxygen		3.14		3.14
Taxes and Insurance		1.32		1.32
Legal Fees		<u>-</u>		<u>-</u>
TOTAL		<u>\$86.84</u>		85.62
Inflation Factor (3.60%)				3.08
Cost of Capital				6.97
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				5.02
Effect of \$1.75 Cap on Cost/Profit Incentives				(3.27)
CNA Add-On				.75
Minimum Wage Add-On				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$98.42</u>

EBENEZER NURSING HOME

Computation of Adjusted Reimbursement Rate
For the Contract Period October 1, 1999 Through September 30, 2000
AC# 3-EBN-M8

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$46.86	\$54.32	
Dietary		12.58	11.42	
Laundry/Housekeeping/Maint.		<u>7.82</u>	<u>8.77</u>	
Subtotal	<u>\$5.22</u>	67.26	74.51	\$67.26
Administration & Med. Records	<u>\$ -</u>	<u>12.35</u>	<u>12.21</u>	<u>12.21</u>
Subtotal		79.61	<u>\$86.72</u>	79.47
<u>Costs Not Subject to Standards:</u>				
Utilities		2.77		2.77
Special Services		-		-
Medical Supplies & Oxygen		3.14		3.14
Taxes and Insurance		1.32		1.32
Legal Fees		<u>-</u>		<u>-</u>
TOTAL		<u>\$86.84</u>		86.70
Inflation Factor (3.00%)				2.60
Cost of Capital				6.85
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				5.22
Effect of \$1.75 Cap on Cost/Profit Incentives				(3.47)
Nurse Aid Staffing Add-On				.77
CNA Add-On				<u>.75</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$99.42</u>

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Period July 1, 1998 Through September 30, 1998
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	<u>Debit</u>	Adjustments <u>Credit</u>	Adjusted <u>Totals</u>
General Services	\$ 556,479	\$ 9,055 (18)	\$183,063 (1)	\$ 357,311
		2,290 (18)	12,512 (1)	
		2,721 (19)	10,688 (3)	
		243 (19)	2,394 (3)	
			4,513 (20)	
			307 (20)	
Dietary	146,495	4,375 (3)	53,483 (1)	95,916
		1,670 (6)	3,141 (7)	
Laundry	43,717	540 (3)	16,581 (1)	26,658
			1,018 (8)	
Housekeeping	24,562	1,029 (18)	8,213 (1)	15,016
		156 (19)	1,418 (3)	
			953 (9)	
			147 (20)	
Maintenance	32,970	5,317 (3)	13,057 (1)	17,960
		722 (18)	7,958 (10)	
		81 (19)	115 (20)	
Administration & Medical Records	140,589	6,006 (2)	54,152 (1)	94,158
		62 (6)	2,833 (1)	
		4,396 (18)	10,467 (3)	
		717 (18)	2,316 (3)	
		937 (19)	2,453 (5)	
		5,082 (20)	251 (11)	
		12,218 (21)	699 (13)	
			2,575 (14)	
			103 (19)	
Utilities	34,929	721 (16)	12,839 (1)	21,131
			353 (3)	
			1,327 (17)	
Special Services	-	-	-	-
Medical Supplies & Oxygen	53,780	-	14,780 (1)	23,925
			11,672 (3)	
			3,403 (6)	
Taxes and Insurance	22,982	1,745 (3)	8,886 (1)	10,037
			1,811 (12)	
			3,993 (15)	

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Period July 1, 1998 Through September 30, 1998
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Legal Fees	-	-	-	-
Cost of Capital	56,068	411 (3) 765 (22)	3,920 (4)	53,324
Subtotal	1,112,571	61,259	458,394	715,436
Ancillary	98,277	1,878 (3)	-	100,155
Non-Allowable	(13,628)	380,399 (1) 25,042 (3) 3,920 (4) 2,453 (5) 1,671 (6) 3,141 (7) 1,018 (8) 953 (9) 7,958 (10) 251 (11) 1,811 (12) 699 (13) 2,575 (14) 3,993 (15) 1,327 (17)	6,006 (2) 721 (16) 18,209 (18) 4,035 (19) 12,218 (21) 765 (22)	381,629
Total Operating Expenses	<u>\$1,197,220</u>	<u>\$500,348</u>	<u>\$500,348</u>	<u>\$1,197,220</u>
Total Patient Days	<u>7,748</u>	<u>-</u>	<u>123</u> (25)	<u>7,625</u>
Total Beds	<u>44</u>			

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Periods October 1, 1998 Through September 30, 1999
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$ 556,479	\$ 9,055 (18) 2,290 (18) 2,721 (19) 243 (19)	\$183,063 (1) 12,512 (1) 10,688 (3) 2,394 (3) 4,513 (20) 307 (20)	\$ 357,311
Dietary	146,495	4,375 (3) 1,670 (6)	53,483 (1) 3,141 (7)	95,916
Laundry	43,717	540 (3)	16,581 (1) 1,018 (8)	26,658
Housekeeping	24,562	1,029 (18) 156 (19)	8,213 (1) 1,418 (3) 953 (9) 147 (20)	15,016
Maintenance	32,970	5,317 (3) 722 (18) 81 (19)	13,057 (1) 7,958 (10) 115 (20)	17,960
Administration & Medical Records	140,589	6,006 (2) 62 (6) 4,396 (18) 717 (18) 937 (19) 5,082 (20) 12,218 (21)	54,152 (1) 2,833 (1) 10,467 (3) 2,316 (3) 2,453 (5) 251 (11) 699 (13) 2,575 (14) 103 (19)	94,158
Utilities	34,929	721 (16)	12,839 (1) 353 (3) 1,327 (17)	21,131
Special Services	-	-	-	-
Medical Supplies & Oxygen	53,780	-	14,780 (1) 11,672 (3) 3,403 (6)	23,925
Taxes and Insurance	22,982	1,745 (3)	8,886 (1) 1,811 (12) 3,993 (15)	10,037

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Periods October 1, 1998 Through September 30, 1999
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Legal Fees	-	-	-	-
Cost of Capital	56,087	411 (3) 561 (23)	3,920 (4)	53,139
Subtotal	1,112,590	61,055	458,394	715,251
Ancillary	98,277	1,878 (3)	-	100,155
Non-Allowable	(13,717)	380,399 (1) 25,042 (3) 3,920 (4) 2,453 (5) 1,671 (6) 3,141 (7) 1,018 (8) 953 (9) 7,958 (10) 251 (11) 1,811 (12) 699 (13) 2,575 (14) 3,993 (15) 1,327 (17)	6,006 (2) 721 (16) 18,209 (18) 4,035 (19) 12,218 (21) 561 (23)	381,744
Total Operating Expenses	<u>\$1,197,150</u>	<u>\$500,144</u>	<u>\$500,144</u>	<u>\$1,197,150</u>
Total Patient Days	<u>7,748</u>	<u>-</u>	<u>123</u> (25)	<u>7,625</u>
Total Beds	<u>44</u>			

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Period October 1, 1999 Through September 30, 2000
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$ 556,479	\$ 9,055 (18) 2,290 (18) 2,721 (19) 243 (19)	\$183,063 (1) 12,512 (1) 10,688 (3) 2,394 (3) 4,513 (20) 307 (20)	\$ 357,311
Dietary	146,495	4,375 (3) 1,670 (6)	53,483 (1) 3,141 (7)	95,916
Laundry	43,717	540 (3)	16,581 (1) 1,018 (8)	26,658
Housekeeping	24,562	1,029 (18) 156 (19)	8,213 (1) 1,418 (3) 953 (9) 147 (20)	15,016
Maintenance	32,970	5,317 (3) 722 (18) 81 (19)	13,057 (1) 7,958 (10) 115 (20)	17,960
Administration & Medical Records	140,589	6,006 (2) 62 (6) 4,396 (18) 717 (18) 937 (19) 5,082 (20) 12,218 (21)	54,152 (1) 2,833 (1) 10,467 (3) 2,316 (3) 2,453 (5) 251 (11) 699 (13) 2,575 (14) 103 (19)	94,158
Utilities	34,929	721 (16)	12,839 (1) 353 (3) 1,327 (17)	21,131
Special Services	-	-	-	-
Medical Supplies & Oxygen	53,780	-	14,780 (1) 11,672 (3) 3,403 (6)	23,925
Taxes and Insurance	22,982	1,745 (3)	8,886 (1) 1,811 (12) 3,993 (15)	10,037

EBENEZER NURSING HOME

Summary of Costs and Total Patient Days
For the Cost Report Period Ended December 31, 1998
For the Contract Period October 1, 1999 Through September 30, 2000
AC# 3-EBN-M8

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Legal Fees	-	-	-	-
Cost of Capital	55,253	411 (3) 463 (24)	3,920 (4)	52,207
Subtotal	1,111,756	60,957	458,394	714,319
Ancillary	98,277	1,878 (3)	-	100,155
Non-Allowable	(12,883)	380,399 (1) 25,042 (3) 3,920 (4) 2,453 (5) 1,671 (6) 3,141 (7) 1,018 (8) 953 (9) 7,958 (10) 251 (11) 1,811 (12) 699 (13) 2,575 (14) 3,993 (15) 1,327 (17)	6,006 (2) 721 (16) 18,209 (18) 4,035 (19) 12,218 (21) 463 (24)	382,676
Total Operating Expenses	<u>\$1,197,150</u>	<u>\$500,046</u>	<u>\$500,046</u>	<u>\$1,197,150</u>
Total Patient Days	<u>7,748</u>	<u>-</u>	<u>123</u> (25)	<u>7,625</u>
Total Beds	<u>44</u>			

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

ADJUSTMENT <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Nonallowable	\$380,399	
	Nursing		\$183,063
	Restorative		12,512
	Dietary		53,483
	Laundry		16,581
	Housekeeping		8,213
	Maintenance		13,057
	Administration		54,152
	Medical Records		2,833
	Utilities		12,839
	Taxes & Insurance		8,886
	Medical Supplies		14,780
	To correct cost report balances		
	HIM-15-1, Section 2304		
	State Plan, Attachment 4.19D		
2	Medical Records	6,006	
	Nonallowable		6,006
	To correct cost report balances		
	HIM-15-1, Sections 2304		
	State Plan, Attachment 4.19D		
3	Dietary	4,375	
	Laundry	540	
	Maintenance	5,317	
	Taxes & Insurance	1,745	
	Cost of Capital	411	
	Ancillary	1,878	
	Nonallowable	25,042	
	Nursing		10,688
	Restorative		2,394
	Housekeeping		1,418
	Administrative		10,467
	Medical Records		2,316
	Utilities		353
	Medical Supplies		11,672
	To adjust balances		
	HIM-15-1, Section 2304		
	State Plan, Attachment 4.19D		

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
4	Nonallowable	3,920	
	Accumulated Depreciation	64,585	
	Other Equity	165,269	
	Fixed Assets		229,854
	Cost of Capital		3,920
	To adjust fixed assets and related depreciation HIM-15-1, Section 100		
5	Nonallowable	2,453	
	Administration		2,453
	To correctly classify expense HIM-15-1, Section 2304		
6	Dietary	1,670	
	Administration	62	
	Nonallowable	1,671	
	Medical Supplies		3,403
	To reclassify expenses to proper cost centers and to disallow expenses not adequately documented HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
7	Nonallowable	3,141	
	Dietary		3,141
	To disallow expense not adequately documented HIM-15-1, Section 2304		
8	Nonallowable	1,018	
	Laundry		1,018
	To disallow expense not adequately documented HIM-15-1, Section 2304		
9	Nonallowable	953	
	Housekeeping		953
	To disallow expense not adequately documented HIM-15-1, Section 2304		

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
10	Nonallowable Maintenance	7,958	7,958
	To disallow expense not adequately documented HIM-15-1, Section 2304		
11	Nonallowable Medical Records	251	251
	To adjust account HIM-15-1, Section 2304		
12	Nonallowable Taxes & Insurance	1,811	1,811
	To disallow expenses not adequately documented HIM-15-1, Section 2304		
13	Nonallowable Administration	699	699
	To disallow expenses not adequately documented HIM-15-1, Section 2304		
14	Nonallowable Administration	2,575	2,575
	To disallow expenses not adequately documented HIM-15-1, Section 2304		
15	Nonallowable Taxes and Insurance	3,993	3,993
	To disallow expense not adequately documented HIM-15-1, Section 2304		

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
16	Utilities	721	
	Nonallowable		721
	To adjust account HIM-15-1, Section 2304		
17	Nonallowable	1,327	
	Utilities		1,327
	To disallow expense not adequately documented HIM-15-1, Section 2304		
18	Nursing	9,055	
	Restorative	2,290	
	Housekeeping	1,029	
	Maintenance	722	
	Administration	4,396	
	Medical Records	717	
	Nonallowable		18,209
	To adjust salaries and related accruals HIM-15-1, Section 2304		
19	Nursing	2,721	
	Restorative	243	
	Housekeeping	156	
	Maintenance	81	
	Medical Records	937	
	Administration		103
	Nonallowable		4,035
	To adjust fringe benefits and related allocation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
20	Administration	5,082	
	Nursing		4,513
	Restorative		307
	Housekeeping		147
	Maintenance		115
	To adjust fringe benefit allocation HIM-15-1, Section 2304		

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
21	Administration Nonallowable	12,218	12,218
	To adjust owner/relative compensation and Administrative salaries State Plan, Attachment 4.19D		
22	Cost of Capital Nonallowable	765	765
	To adjust capital return State Plan, Attachment 4.19D		
	(This adjustment applies only to the rate period 7/1/98 - 9/30/98)		
23	Cost of Capital Nonallowable	561	561
	To adjust capital return State Plan, Attachment 4.19D		
	(This adjustment applies only to the rate periods 10/1/98 - 9/30/99)		
24	Cost of Capital Nonallowable	463	463
	To adjust capital return State Plan, Attachment 4.19D		
	(This adjustment applies only to the rate period 10/1/99 - 9/30/00)		

EBENEZER NURSING HOME
Adjustment Report
Cost Report Period Ended December 31, 1998
AC# 3-EBN-M8

ADJUSTMENT <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
25	<u>Memo Adjustment</u>		
	To decrease total patient days by 123 from 7,748 patient days to 7,625 patient days		
		_____	_____
	TOTAL ADJUSTMENTS	\$ <u><u>731,226</u></u>	\$ <u><u>731,226</u></u>

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.

EBENEZER NURSING HOME
 Cost of Capital Reimbursement Analysis
 For the Cost Report Period Ended December 31, 1998
 For the Contract Period July 1, 1998 Through September 30, 1998
 AC# 3-EBN-M8

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.1144</u>
Deemed Asset Value (Per Bed)	33,022
Number of Beds	<u>44</u>
Deemed Asset Value	1,452,968
Improvements Since 1981	1,569
Accumulated Depreciation at 12/31/98	<u>(303,075)</u>
Deemed Depreciated Value	1,151,462
Market Rate of Return	<u>.070</u>
Total Annual Return	<u>80,602</u>
Adjust for Cost Report Period 184/365 days	40,632
Return Applicable to Non-reimbursable cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	40,632
Depreciation Expense	12,692
Amortization Expense	-
Capital Related Income Offsets	-
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	53,324
Total Patient Days (Actual)	<u>7,625</u>
Cost of Capital Per Diem	\$ <u><u>6.99</u></u>

EBENEZER NURSING HOME

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended December 31, 1998

For the Contract Periods October 1, 1998 Through September 30, 1999

AC# 3-EBN-M8

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.1814</u>
Deemed Asset Value (Per Bed)	34,069
Number of Beds	<u>44</u>
Deemed Asset Value	1,499,036
Improvements Since 1981	1,569
Accumulated Depreciation at 12/31/98	<u>(303,075)</u>
Deemed Depreciated Value	1,197,530
Market Rate of Return	<u>.067</u>
Total Annual Return	<u>80,235</u>
Adjust for Cost Report Period 184/365 days	40,447
Return Applicable to Non-reimbursable Cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	40,447
Depreciation Expense	12,692
Amortization Expense	-
Capital Related Income Offsets	-
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	53,139
Total Patient Days (Actual)	<u>7,625</u>
Cost of Capital Per Diem	\$ <u><u>6.97</u></u>

EBENEZER NURSING HOME

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended December 31, 1998

For the Contract Period October 1, 1999 Through September 30, 2000

AC# 3-EBN-M8

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.2493</u>
Deemed Asset Value (Per Bed)	35,130
Number of Beds	<u>44</u>
Deemed Asset Value	1,545,720
Improvements Since 1981	1,569
Accumulated Depreciation at 12/31/98	<u>(303,075)</u>
Deemed Depreciated Value	1,244,214
Market Rate of Return	<u>.063</u>
Total Annual Return	<u>78,385</u>
Adjust for Cost Report Period 184/365 days	39,515
Return Applicable to Non-reimbursable Cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	39,515
Depreciation Expense	12,692
Amortization Expense	-
Capital Related Income Offsets	-
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	52,207
Total Patient Days (Actual)	<u>7,625</u>
Cost of Capital Per Diem	\$ <u><u>6.85</u></u>

2 copies of this document were published at an estimated printing cost of \$1.79 each, and a total printing cost of \$3.58. The FY 2000-01 Appropriation Act requires that this information on printing costs be added to the document.